From: Webmaster
To: Microsoft ATR
Date: 1/27/02 4:05pm
Subject: Microsoft Settlement

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Dear Department of Justice:

I am writing to you as someone who has been involved in computers for the past 25 years, grew up near Microsoft, and have been on both sides of the love 'em or hate 'em Microsoft fence. I would like to give you my observations and comments about the computer industry as it relates to the Microsoft case.

A Brief History of the Personal Computer (circa 1980 to 1995)
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Circa 1980, the personal computer was born, and within a few years, the PC's killer applications (namely spreadsheets, word processors, and presentation graphics programs) made the PC an indispensable business tool. Innovation and competition were strong and consumers benefited from new products such as Lotus 123, Word Perfect, and Harvard Graphics.

Over the years, Microsoft also innovated and introduced refined versions of its DOS and Windows operating systems. By the mid- to late 1980s, IBM had finally lost its dominance of the open hardware platform it created. The failure of the more-closed PS/2 and the further advances of PC "clones" drove prices down while driving hardware innovation and performance. The proliferation of low cost personal computers drove the further adoption of Microsoft operating systems.

During the early 1990s, Microsoft, funded by its operating systems success, also delivered innovative and superior products such as Excel and Word. These products rightfully claimed market dominance over their competitors. These products also became strong revenue producers for Microsoft. Through widespread adoption of Microsoft operating systems, consumers benefited, and developers were overjoyed. Microsoft further created excellent developers' tools and wooed developers to create applications for Windows.

The Personal Computer Matures (circa 1995)
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Unfortunately, towards the mid-1990s, the PC market was becoming mature. The personal computer had run its course, and networked, not personal, computers were the new frontier. Microsoft and other personal computer software vendors turned to competing in feature wars by adding features that were largely useless to the majority of users and by driving a new software business model: the upgrade cycle.

Prior to this time, innovation in the personal computer industry was high and product quality was excellent. I remember when a bug in software made headlines and was truly an embarrassment to the company that wrote the software. Prior to this time, new major releases were truly valuable and, because of attention to quality, customers quickly adopted the latest technology.

Subsequent releases of personal computer software generally offered only minor functional improvements while adding substantial incompatibilities and instability through buggy software. Often upgrades were mostly bug fixes. Software incompatibilities with hardware, however, drove hardware sales that had now become dependent on software upgrade cycles. Many in these industries became staunch supporters of Microsoft because their livelihood depended on it.

It is considered by some that post Windows 95 OSR2, the Windows 98, Windows 98 SE, and Windows Me operating systems were progressively worse releases. Certainly corporate America began to shy away from these frequent and "problem-full" upgrade cycles. Software manufacturers, Microsoft in particular, faced with spiraling support costs resulting from product deficiencies and poor quality, began

charging customers for support. This further alienated customers who had become dependent on the technology.

In the mid-1990s, while working with software developers, I learned Microsoft had a new trick in addition to upgrade cycles. Because of Microsoft's dominance of the personal computer operating system, it began dangling new over-hyped technologies to developers but withholding adequate information to get the programming done. To that end, Microsoft would supply expensive consultants. Through the use of consultants, Microsoft could control who had access to what technology. Microsoft seemed to provide consultants to companies developing products that further enhanced the appeal of the "Microsoft platform". Unfortunately, I learned first-hand that once Microsoft deemed your software was no longer strategic or was competitive, the support vanished. The same strategy also applied to hardware. Originally, Windows NT ran on Intel, DEC Alpha, MIPS, and PowerPC platforms. Once Microsoft pulled the plug on support for the non-Intel platforms, these other platforms vanished almost overnight.

Around this time, it was also widely known that Microsoft employed an "embrace and extend" philosophy. The implementation goes something like this: Once a new non-Microsoft technology emerges, Microsoft discredits the technology and withholds operating system support. This minimizes the revenue that a potential competitor could derive in the early stages of a product's life that could be used to fund additional development. Meanwhile, Microsoft had a chance to study and subsequently implement competing and typically inferior technology into its operating system. At times, by only announcing that Microsoft will develop a competing technology, Microsoft could convince its customers to abandon the new non-Microsoft technology or, at least, sit-and-wait until it was built-in for "free". The pattern generally continued by starving the original innovating companies while developing its own technology. Typically, by a 3.x release, Microsoft had monopolized the technology while the original innovators had gone out of business.

What was happening to hardware and software developers was that they were learning a message from Microsoft that was loud and clear. The message was that if you were not strategic to Microsoft, you were "history".

The Networked Computer Industry (circa 1995 to Present)

Fortunately, for consumers and developers, the need to transcend the "personal" in PC and become networked exploded with the adoption of the Internet. There was incredible excitement and innovation as numerous companies worked around the clock to develop new products, services, and applications. HTTP, HTML, and Java were the tools to break the industry free. There was a big problem with the Internet to Microsoft because it didn't use Microsoft technology and, further, it could minimize the importance of the Microsoft Windows operating system.

Once again, Microsoft attempted to discredit the technology while buying itself time to determine how to best "embrace and extend" the technology. I do admire Microsoft in its ability to turn its entire company around in "Internet time" to address this great threat. Unfortunately, this has been to the detriment of consumers and the Internet as Microsoft is trying and succeeding at crafting its own version of the Internet.

There are numerous examples of this strategy. As far back as Stacker vs. DoubleSpace, to QuickTime vs. AVI, MP3 vs. WMA, RealPlayer vs. WMA, Java vs. MSJava vs. C#, JavaScript vs. JScript, and more. Microsoft has sought to pollute every interoperable and de facto standard with it's own "embrace and extend" but incompatible version.

In the case of Netscape Navigator and Internet Explorer, Microsoft claims its dominance is due to Internet Explorer being a better browser. It, in fact, is a better browser--on Microsoft Windows. However, this is clearly because any company is unable to compete with a Goliath company that gives the product away for free (far below its cost).

I remember sitting in Microsoft briefings while they insisted that they were "browser agnostic". The audience snickered as surely they were browser agnostic as long as the browser was a Microsoft browser. Microsoft even feigned cross-platform support by offering a Unix version of Internet Explorer that never worked and which has been subsequently dropped. Now that Microsoft owns the browser, there is no need to support other platforms. It is quite a disconcerting that the fate of Apple rests upon Microsoft's willingness to supply it Microsoft Office and Internet Explorer. Without these core applications, no desktop operating system could survive.

My Views on What Needs to Change
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What has happened is that the technologies Microsoft has added to its operating systems have not been for "free", as Microsoft would like us to believe. They have come at a high price of stamping out non-Microsoft developer innovations. They have come at a price of security and reliability, as there is really no other choice for corporate America. They have come at a price of Microsoft-ifying the Internet and attempting to replace every open and interoperable standard that the rest of the world has tried to create. Microsoft continues by trying to force its dominance into product areas of hand-held computers, video games, entertainment, and Internet service. A recent example is the announcement of MSN as the number one search engine. It is actually not surprising, as MSN is the default search tool in Internet Explorer.

The sad reality is that Microsoft already owns the desktop, the corporate office suite, and the web browser. It has purposely integrated the browser into the operating system so that it loads faster and is more difficult to remove. Microsoft has also tied its desktop and server operating systems together with almost identical code-bases. I think it is quite dangerous that Microsoft is trying to tie its Windows desktops to its Windows servers to displace other more reliable, open, and secure server operating systems from competitors. Microsoft is trying to unfairly force itself into the server market by way of the desktop. At the same time, Microsoft is trying to create its own version of the Internet as well as force users to use its Passport service.

In the early 1990s, I was an adamant Microsoft fan. Unfortunately, their patterns of behavior towards outside innovators and of tying numerous Microsoft products together have changed the way I make choices. More and more, I choose open solutions whenever possible even though I know there is a threat that Microsoft may eventually kill them. A prime driver of the current downturn in the computer industry, I believe, is the lack of innovation. I am quite confident that a plethora of reliable and secure multimedia (audio, video, photography, speech), networking (collaboration, communication, interactive, wireless), and business applications are possible and awaiting development. The unfortunate reality is that Microsoft holds the keys to the client operating systems that these applications need.

At this late point, I'm not sure what type of settlement/remedy would be appropriate. Microsoft has already cost the technology industry (including Netscape) irreparable harm and continues to further cripple it to serve its own agenda. At the beginning of the antitrust cases, I thought it might be reasonable to break Microsoft into 3 separate companies: Desktop OS, Applications, and Server OS. The reason for

splitting out the Server OS would be to prevent Microsoft from unfairly tying Windows clients to Windows servers. Unfortunately, the code-base is the same, so perhaps only strict conduct remedies might work.

Internet Explorer must be considered an application and stripped from the operating system. Further, it must be made available in fully functioning form across major operating systems (Windows, Mac, Unix, Linux). To do this, it must be stripped of its Windows-specific technologies and implemented in a truly cross-platform manner such as the Mozilla/Gecko/Netscape product. It must conform to open and not proprietary standards. The same exact requirement also needs to be made of Microsoft Office. These applications are critical to the functioning of American businesses and should be regulated like a utility.

Another sad reality is that Microsoft developers and personnel are "so Microsoft", in general, they do not understand other and outside open technologies. Assuming Microsoft was split, it would take years for personnel to retrain themselves to understand non-Microsoft technologies and to begin developing products that conform to open standards. Because there is such a closed--almost incestuous--Microsoft culture, the separate companies should be geographically dispersed to prevent inevitable commingling. Although such as break-up would cause tremendous anxiety in the industry, I think it is necessary in order to give other operating systems a fighting chance and to convince the non-Microsoft development community that it is safe to innovate once again.

I would estimate the disruption could last 2 to 4 years. The current prospects, however, are continued stagnation, meaningless upgrade cycles, poor reliability and security, and less choices as Microsoft continues to take over all aspects of computing, networking, entertainment, and identity/payment systems. Considering I originally wrote this on a Windows NT (1995) machine with Word 97, I would be willing to use Windows2000 and other current software versions for a few years in the hopes of gaining truly open computing platforms and radically new and innovative products in the future.

Finally, please compare the personal computer software and hardware industries over the past 5 to 10 years. Despite a dominant, but somewhat less adversarial, Intel, the hardware industry has delivered products that are many, many times over faster, more reliable, and more functional at fractions of the price of what they used to cost. A modern PC can be bought for $500 that includes a monitor and printer and is better than most corporate desktops. On the other hand, new non-upgrade versions of Microsoft's latest Windows XP Professional and Office XP will cost you more than the hardware. This is truly ironic considering there are no real manufacturing costs to the software and considering the marginal benefits provided to consumers by the marginal softare upgrades during the same period.

Best of luck. We are counting on you,
Brett Duke